



Utah Counties Insurance Pool
Serving Counties Since 1992

AGENDA

BOARD OF TRUSTEES MEETING

Thursday, March 18, 2004, 10:00 a.m.
Utah Counties Insurance Pool Building
5397 South Vine Street, SLC, UT

PLEASE READ: Minutes

PLEASE BRING:

Call to Order

Dan McConkie

Review of Board Members Absent

Approval of February Minutes

ITEM INFORMATION

1	2004 Audit Summary	Geri Douglas
2	Broker's Report	Mark Morros
3	Chief Executive Officer's Report	Lester Nixon
4	Loss Control Manager's Report	Mark Brady
5	Status of Building Agreement	Lester Nixon
6	New Website Features	Sonya White

ACTION

7	Audit Committee Report & Approval of 2004 Audit	Kent Sundberg
8	Approve Services & Promotional Opportunities Agreement w/UAC	Dan McConkie
9	Approve Workers Compensation Budget	Lester Nixon
10	Approve Amended General Budget	Lester Nixon
11	Review of Joint Policy Statements <ul style="list-style-type: none">- Approve Amended <i>Underwriting Requirements</i>, p. 17- Approve <i>Deletion Mid Term Premiums for Newly Acquired Properties</i>, p. 25- Approve <i>Addition County Vehicle Use</i>, p. 28- Approve General Amendments	Lester Nixon
13	Ratification and Approval of Payments	Gene Roundy
14	Set Date and Time for Closed Meeting to Discuss Pending or Reasonably Imminent Litigation	
15	Action on Litigation Matters	Kent Sundberg
16	Set Date and Time for Closed Meeting to Discuss Character, Professional Competence, Physical/Mental Health of an Individual	

Wrap-up
Other Business
Adjourn

ADDITIONAL INSTRUCTIONS: Lunch will be provided.



Utah Counties Insurance Pool
Serving Counties Since 1992

MINUTES

BOARD OF TRUSTEES MEETING

March 18, 2004, 10:00 a.m.
Utah Counties Insurance Pool Building, Murray, Utah

BOARD MEMBERS PRESENT

Dan McConkie, *President*, Davis County Commissioner
Gene Roundy, *Secretary-Treasurer*, Iron County Commissioner
Steve Baker, Davis County Personnel Director
Ken Bischoff, Weber County Commissioner
Jerry Grover, Utah County Commissioner
Ira Hatch, Emery County Commissioner
Ed Phillips, Millard County Sheriff
Kent Sundberg, Utah County Deputy Attorney
Steve Wall, Sevier County Clerk-Auditor

BOARD MEMBERS ABSENT

Kay Blackwell, Piute County Commissioner
Jim Eardley, Washington County Commissioner
Lynn Lemon, *Vice President*, Cache County Executive

MEMBERS PRESENT

Michael Cragun, Davis County Commissioner

OTHERS PRESENT

Lester Nixon, Chief Executive Officer
Mark Brady, Loss Control Manager
Sonya White, Executive Assistant
Korby Siggard, Claims Manager
Geri Douglas, Larson & Company, Audit Partner
Martha Hayes, Larson & Company, Auditor
Mark Morros, Arthur J. Gallagher, Account Executive

CALL to ORDER

Dan McConkie called the meeting of the Utah Counties Insurance Pool Board of Trustees to order at 10:00 a.m. on March 18, 2004 and welcomed those in attendance.

REVIEW of BOARD MEMBERS ABSENT

Kay Blackwell was preparing for the upcoming county caucus and requested to be excused from this meeting. Jim Eardley is attending a School Trust Lands meeting and requested to be excused from this meeting. Lynn Lemon is speaking at the Cache County Jail Grand Opening and requested to be excused from this meeting. Ira Hatch made a motion to excuse Kay Blackwell, Jim Eardley and Lynn Lemon from this meeting. Ed Phillips seconded the motion, which passed unanimously.

APPROVAL of FEBRUARY MINUTES

The minutes of the Board of Trustees meeting held February 18, 2004 were previously sent to the Board members for review. Steve Wall recommended that *compete* be corrected to *complete* in the **Trustees Survey** sentence under the **DIRECTOR'S REPORT**, page two. Steve Wall recommended that the last sentence in the **Actuarial Report** under the **DIRECTOR'S REPORT**, page two, be changed to: *Lester explained that the financial audit will start Friday and Larson & Company will have the completed audit to the Audit Committee by March.* Kent Sundberg requested that *assessment lawyer* be changed to *tax lawyer* in the fourth sentence under **STATUS of BUILDING AGREEMENT**, page three. Steve Wall made a motion to approve the February 18, 2004 Board meeting minutes as corrected. Gene Roundy seconded the motion, which passed unanimously.

2003 AUDIT SUMMARY

Geri Douglas and Martha Hayes of Larson & Company presented the December 2003 Financial Audit to the Board of Trustees (see attachment #1). The Utah Counties Insurance Pool Audit Committee previously reviewed the draft audit and several corrections were made from Committee recommendations. Pursuant to supplementary information required by the Governmental Accounting Standards Board, Lester Nixon prepared Management's Discussion and Analysis letter, pages 3-6. The auditors did not review the letter with the Board but Steve Wall said that Lester did a good job and encouraged the Board to take time to read it. The opinion, as written in the Independent Auditors' Report, page seven, is that the financial statements present fairly, in all respects, the financial position of the Pool and the results of its operations and its cash flow ended in conformity with accounting principles accepted in the United States. Assets, as listed on the Statements of Net Assets, page 8, include a new listing for the long-term investments in government securities. Investment income is down 3.4% from the prior year 2002. Liabilities include an \$80,000 increase in Incurred But Not Reported estimates and the addition of payroll expenses for a \$131,000 increase in liabilities from the prior year 2002. Total net assets show a loss for the year ending 2003. Lester confirmed that the Pool vehicles are fully depreciated but the Pool is unable to list the building as an asset without the finalized building agreement. The Unrestricted item is the accumulation of earnings, gains and equity of the company. Jerry Grover asked if the Pool has a policy on the amount of unrestricted funds that are allowed to accumulate. Lester said that the Board would be discussing a surplus policy at its June retreat. Jerry asked if a certain amount of unrestricted funds are held to maintain financial viability. Lester said that most companies write at a two to one ratio of surplus to premium; the Pool is writing at five to one. Geri reported that the total income, page nine, is eight percent higher than last year but losses increased \$1 million over last year. This was due to substantial payments on five large claims. Reinsurance costs also increased in 2003. The administration expenses will be better compared in the 2004 audit because the auditors had to work with the 2002 administration fee (paid to the Utah Association of Counties) for the 2003 audit. The biggest difference in the Statements of Cash Flows is the purchase of bonds at \$10,399,203 as explained in the Investments and Cash and Cash Equivalents Notes on pages 12-13. Page 10 accounts for all the non-cash items. The actuary provided the fair values on investments as shown on page 14. Change in net assets, Budget and Actual, page 18, shows that the Pool budgeted to use equity. Geri explained that the internal control review disclosed no instances of noncompliance and that the Pool's small staff is doing everything possible to disseminate duties as reported on page 21. State Legal Compliance disclosed one instance of noncompliance in budgeting for the loss experience and adjustments. This noncompliance has been explained. Geri and Martha thanked staff for their cooperation during the audit. Lester reported that the auditors did a good job and recommended that the Board retain Larson & Company. Lester explained that the actuarial review is complete and that the actuary will report to the Board at its August meeting.

BROKER'S REPORT

John Chino was unable to make a report to the Board today but sent Mark Morros to answer any questions. Steve Wall asked Mark what reinsurance carriers look at to determine the viability of an insured. Mark said that each reinsurer uses a different formula but that all look at the budget and audited financial statements of a company. The reinsurers do not share their formulas with brokers. The different formulas are evidenced by the fact that the same information is sent to several carriers who all respond with different premiums. Jerry Grover asked if Mark knew of any criteria that reinsurers use that would allow for a premium reduction. In his experience, Mark said that it varies from carrier to carrier and depends on how much emphasis is put on surplus. Lester Nixon explained that AM BEST Company rates and analyzes insurance companies based on their policyholder surplus, i.e., the company's bill paying ability. There are several different ratios used to determine a rating. Lester will put together information and comparison benchmarks from other pools for Board discussion at the June Retreat.

CHIEF EXECUTIVE OFFICER'S REPORT

Change in County Classification. Lester Nixon previously sent a memorandum to the Board regarding the statutory changes to county classifications (effective July 1) that will impact the current Utah Counties Insurance Pool Bylaws as they apply to the composition of the Board of Trustees (see attachment #2). If the Board has any recommended changes to the Bylaws they will need to be made before the November membership meeting. Third class will have four less counties—Uintah, Sanpete, Carbon and Sevier. Fourth class will have three additional counties—Uintah, Sanpete, Carbon and Sevier with Emery moving to the fifth class. As the Bylaws read now, the composition of the Board on July 1 will be: five Trustees from second class, three Trustees from third class, two Trustees from fourth class, one Trustee from fifth class and one Trustee from sixth class. With these population ratios, Lester recommended that no changes be made to the structure of the Board at this time. Washington County is close to becoming a second class county. Washington would not have a guaranteed seat on the Board when they move to the second class. Lester recommended that the Board review the structure at that time.

AGRiP Spring Conference, Santa Barbara. Lester Nixon reported that he would be attending the County Reinsurance, Limited meeting on behalf of the Utah Counties Insurance Pool at the upcoming AGRiP Spring Conference.

Utah County Joins WC Program. Lester Nixon reported that he and Patsy Clarke had met with Utah County representatives to make a proposal for membership in the Workers Comp Program. Utah County joined the Workers Comp Program effective April 1, 2004.

LOSS CONTROL MANAGER'S REPORT

Mark Brady reported that the Facilities Management Conference received good reviews with 30 attendees. So far, the Planning and Zoning Conference, scheduled for April 1, has 25 registrants (12 counties represented). Since the last meeting, Mark reported that he spent two days in Tooele County meeting with the insurance coordinator and inspecting facilities. Piute County has scheduled Mark to provide instruction on the Risk Management Program.

STATUS of BUILDING AGREEMENT

Lester Nixon reported that he, Dan McConkie, Brent Gardner and LaMar Guymon met on March 16. Lester was shown a copy of the Right of First Refusal portion of the proposed agreement. Ballard Sphar is still working on the building agreement. The Utah Association of Counties will make an offer to the Pool soon. Dan said that it was agreed that they would meet frequently to work through any issues relating to the building agreement and to get the agreement finalized.

NEW WEBSITE FEATURES

Sonya White encouraged the Trustees to visit the Utah Counties Insurance Pool website (www.ucip.utah.gov) frequently because changes and additions are continually being made to the site. Sonya demonstrated usage of the new calendar pages, making it easier to find dates of all upcoming meetings, training opportunities, conventions, etc. The calendar will also show when staff is away from the office visiting counties. Trustees can request events to be added to the calendar. Sonya demonstrated how to access the new Workers Comp pages that include instructions on how to report claims, online claim forms, sample letters, fraud indicators, designated medical providers and all the laws and information needed on Workers Comp. Sonya explained that the member online exposure project is still in the process of being designed and will be ready to unveil at the Insurance Coordinator's Workshop, April 20.

AUDIT COMMITTEE REPORT & APPROVAL of 2004 AUDIT

Kent Sundberg reported that the Audit Committee; he, Steve Wall and Lynn Lemon (via telephone) met with the auditors this morning to review the final audit with the corrections requested by the Committee. Geri Douglas reviewed the audit with the Board and answered all questions. Kent Sundberg made a motion to approve the Financial Statements and Independent Audit December 31, 2003 as presented. Ken Bischoff seconded the motion, which passed unanimously.

APPROVE SERVICES & PROMOTIONAL OPPORTUNITIES AGREEMENT w/UAC

Lester Nixon reviewed the Utah Association of Counties (UAC) proposed revised Services Agreement with the Board (see attachment #3). Item 1, UAC will provide advertising, exhibit and sponsorship opportunities to UCIP for an annual fee of \$4,080. Item 2, UAC will provide UCIP opportunity for promotion, advertising and sponsorship of its Newly Elected Officials Training Meetings for a fee of \$3,500. Item 3, UAC will provide UCIP with exclusivity for a fee of .003% of the gross annual premium paid by all counties, which participate in UCIP. Items 4 & 5, UAC will provide UCIP with legislative representation for an annual fee of \$10,000. Item 6, UAC will provide property management services to UCIP for an annual fee of \$3,000.

The Pool's intent on Item 2 was to co-organize and present at the Newly Elected Officials Training, not just sponsor the event. The Pool's presentations are not only about insurance but the Pool has statistical information on each county so that presentations are customized and fashioned for elected officials to perform their duties that include sound risk management practices. UAC should not charge the Pool to educate the newly elected officials. The Pool requested this change to the Agreement after its February 18 meeting but this revision was not made to Item 2. Therefore, the Pool will conduct its own training of the newly elected officials. Dan and Lester will request that Item 2 be deleted from the Agreement unless UAC will renegotiate and allow the Pool to co-organize and present training at this event. UAC covers most of its costs with registration fees.

The Agreement was originally presented to the Board with a fee of .004 of member premiums for exclusivity. UAC has changed the Agreement to .003% of gross annual premium. At its February 18 meeting, the Board agreed that no additional fees would be paid if the major sponsorship fee, Item 1, did not include exclusivity. Dan and Lester will request that Item 3 be deleted from the Agreement.

The Board is willing to pay \$1000 annually for property management services (UAC staff time involving matters of the building). Dan and Lester will request that the fee in Item 6 be changed from \$3000 to \$1000.

APPROVE WORKERS COMPENSATION BUDGET

As directed by the Board of Trustees, Lester Nixon incorporated the changes requested by the Board at its January 15 and February 18 Board meetings into the 2004 Workers Compensation Program budget (see attachment #4). The amounts of \$5000 budgeted for Loss Control and Training and \$5000 budgeted for Staff Expense is an added cost that will not decrease the General budget. The Pool is looking at hiring a loss control person for the Workers Comp Program, either as staff or as a contract position with Alternative Service Concepts. Lester included a seven month salary amount in the Third Party Administrator item. An Equity item is added for the County Reinsurance, Limited capital of \$48,989. Ira Hatch made a motion to approve the 2004 Workers Compensation budget as presented. Steve Wall seconded the motion, which passed unanimously.

APPROVE AMENDED GENERAL BUDGET

Lester Nixon reviewed the following amendments to the 2004 General budget with the Board (see attachment #5). Lester reported that the Pool is showing an underwriting profit this year due to the decrease in Reinsurance and the addition of Tooele County in Premiums Written. The 2004 General budget has been amended to include Tooele and lists the final reinsurance costs. The underwriting profit of \$290,464 has been added to Losses. The Pool's Capital through County Reinsurance, Limited has been added under Equity. The prorated expenses applicable to the Workers Comp budget have been deducted. Gene Roundy made a motion to approve the amendments to the 2004 General budget as presented. Ed Phillips seconded the motion, which passed unanimously.

REVIEW of JOINT POLICY STATEMENTS

Lester Nixon reviewed the Joint Policy Statements with the Board (see attachment #6). Lester recommended that all references throughout the Statements to UAC Insurance Mutual, UACIM and Mutual be changed to Utah Counties Insurance Pool (hereinafter referred to as "UCIP"). All references to Director changed to Chief Executive Officer. Page 17, Underwriting Requirements, strike *Alcoholic drinks prohibited at county sponsored events and in county facilities*, item 6, because the Pool has members that are serving alcohol at their facilities. Clarification of the completion of defensive driving and new item 7 added to align the Joint Policy with the Risk Management Program. Page 25, *Resolution Concerning Mid-Term Premiums for Newly Acquired Properties* was written and adopted in 1997 when the Pool was purchasing excess insurance. The reinsurance carriers assess an additional premium for new properties valued over \$5 million. Lester recommended that this Policy be deleted from the Statements. Page 28, *County Vehicle Use*, is a newly drafted policy for the Board's consideration. County vehicles used only for official county business, only county employees operate county vehicles and only county employees as passengers in county vehicles except when required by county business. Steve Baker made a motion to approve all changes, except for adopting the new Joint Policy County Vehicle Use, as presented by Lester Nixon. Steve Wall seconded the motion, which passed unanimously. Board members will review the Joint Policy County Vehicle Use with their county attorneys. Discussion will continue at the Board's next meeting.

RATIFICATION and APPROVAL of PAYMENTS

Gene Roundy reviewed the payments made and the payments to be made with the Board (see attachment #7). Gene Roundy made a motion to approve the payments made and the payments to be made. Ira Hatch seconded the motion, which passed unanimously.

SET DATE and TIME for CLOSED MEETING

The Board had no need of a closed meeting to discuss pending or reasonably imminent litigation. Kent Sundberg made a motion to strike this agenda item. Steve Wall seconded the motion, which passed unanimously.

ACTION on LITIGATION MATTERS

The Board had no need to take action on any litigation matters. Kent Sundberg made a motion to strike this agenda item. Steve Wall seconded the motion, which passed unanimously.

SET DATE and TIME for CLOSED MEETING

The Board had no need for a closed meeting to discuss the character, professional competence, physical/mental health of an individual. Kent Sundberg made a motion to strike this agenda item. Steve Wall seconded the motion, which passed unanimously.

OTHER BUSINESS


Next time Dan McConkie and Lester Nixon meet with Brent Gardner and LaMar Guymon, they will discuss the possibility of finishing the basement in the building for staff. If this is decided, the Pool would like to have the basement completed by the end of this year.

If any Trustees will be attending the June PRIMA conference in Ft. Lauderdale, contact Sonya White by April 1.

The next meeting of the Board of Trustees will be held on May 12, 2004, 3:00 p.m. at the Moab Valley Inn. Dinner will be included.

Respectfully submitted by Sonya White, Executive Assistant.

Approved on this 12 day of May 2004


Gene Roundy, UCIP Secretary-Treasurer



Utah Counties Insurance Pool
Serving Counties Since 1992

MEMORANDUM

Date: March 11, 2004

To: Board of Trustees
Utah Counties Insurance Pool

From: Lester Nixon
Chief Executive Officer

Subject: Changes in County Classification

The statutory changes to County classification that go into effect as of July 1, 2004, will impact the current UCIP Bylaws as they apply to the composition of the Board of Trustees.

ARTICLE 5. Board of Trustees.

5.1 The Board shall be comprised of twelve persons in the following manner:

- (a) One Trustee, appointed by the governing body of Davis County, representing Davis County; **Does not change**
- (b) One Trustee, appointed by the governing body of Utah County, representing Utah County; **Does not change**
- (c) One Trustee, appointed by the governing body of Weber County, representing Weber County; **Does not change**
- (d) Two Trustees, elected by member counties of the third class, representing Counties of the third class; **Third class has four less counties-Uintah, Sanpete, Carbon, Sevier**
- (e) One Trustee, elected by member counties of the fourth class, representing counties of the fourth class; **Fourth class has three additional counties-add Uintah, Sanpete, Carbon, Sevier and move Emery to 5th**
- (f) One Trustee, elected by member counties of the fifth and sixth class, representing Counties of the fifth and sixth class; **Add Emery to fifth class**

- (g) Two Trustees, elected by all member counties, representing all counties at large; Does not change
- (h) One Trustee shall be a sheriff of a member county, who serves as the Chair of the Law Enforcement Committee, appointed by the Board;
- (i) One Trustee shall be the Chair of the Litigation Management Committee appointed by the Board;
- (j) One Trustee shall be the Chair of the Personnel Committee appointed by the Board.

The present composition of the Board is as follows:

- 5 Trustees from 2nd class
- 4 Trustees from 3rd class (Sevier County was 3rd class by population: however, the Lt. Gov. had never approved the change, thus it was 4th class by virtue of administrative fiat)
- 2 Trustees from 4th class
- 0 Trustees from 5th class
- 1 Trustee from 6th class

The composition of the board as of the July 1 reclassification:

- 5 Trustees from 2nd class
- 3 Trustees from 3rd class
- 2 Trustees from 4th class
- 1 Trustee from 5th class
- 1 Trustee from 6th class

The total populations by class are as follows:

Class	1990	%	2002	%	Guarantee Ratio d seats	
2	609,861	62	841,208	62	3	280,400
3	276,745	28	318,405	23	2	159,202
4	57,020	6	146,584	10	1	146,584
5	31,879	3	52,114	4	0.5	26,057
6	5,869	1	6,780	1	0.5	3,390
	981,374		1,365,091			

Page 3
Board Memo

By virtue of the change in classification, the following results:

- Third class counties will have 5% less of the total UCIP population, four less counties and the right to elect two Board seats
- Fourth class counties will have 4% more of the total UCIP population, three more counties and the right to elect one Board seat

However, as you can see in the above chart regarding the ratio of UCIP population to guaranteed seats, the ratio of class 3 seats is still higher than class 4.

Even though class 4 now has more counties and a higher percentage of the UCIP population, the CEO recommends no change in the current composition of the Board.

Respectfully submitted,


Lester Nixon

Attachment
Board Memo

COUNTY	Current Classification	New Classification
Utah	2	2
Davis	2	2
Weber	2	2
Washington	3	3
Cache	3	3
Tooele	3	3
Box Elder	3	3
Iron	3	3
Summit	3	3
Uintah	3	4
Sanpete	3	4
Carbon	3	4
Sevier	3	4
Wasatch	4	4
Duchesne	4	4
San Juan	4	4
Millard	4	4
Emery	4	5
Grand	5	5
Juab	5	5
Morgan	5	5
Kane	5	5
Beaver	5	5
Garfield	5	5
Wayne	6	6
Rich	6	6
Piute	6	6
Daggett	6	6

A G R E E M E N T

THIS AGREEMENT is made this _____ day of _____, 2004, by and between the Utah Association of Counties ("UAC") and Utah Counties' Insurance Pool ("UCIP").

WHEREAS, UCIP desires to receive certain services and promotional opportunities from UAC; and

WHEREAS, UAC desires to provide UCIP certain specific services and promotional opportunities;

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth, the parties agree as follows:

For a period of two years, beginning January 1, 2004, and extending through and including December 31, 2005 and thereafter, for such further period as may be hereafter agreed by the parties, UAC will provide the following services for, and make available the following promotional opportunities to UCIP:

1. UAC will provide advertising, exhibit and sponsorship opportunities to UCIP in the form of the "Works Vendor Package," as more specifically set forth in Exhibit "A," attached hereto and by this reference incorporated herein, for an annual fee of Four Thousand Eighty Dollars (\$4,080.00). The fee the year 2005 shall be determined prior to January 31, 2005. Fees for such advertising, exhibit and sponsorship opportunities will be due and payable no later than fifteen (15) days prior to the date set for such promotional sponsorship or advertising opportunity.

2. Any additional promotional opportunities, sponsorships or advertisements in UAC publications, meetings or events, not listed in this Agreement or in the attached Exhibit "A," provided to UCIP will be provided at an additional charge, based upon fees established by UAC. Any additional opportunities described in this paragraph shall include consultation and planning the program and time to make a presentation on risk management issues. Presentation of risk management issues, as contemplated under this paragraph shall be equal to approximately 25% of the risk management presentation time in the departmental session breakout of County Commissioners and County Council Members. UAC will provide UCIP the opportunity for promotion, advertising and sponsorship of its "Newly Elected Officials Training Meetings" in the year 2005 for a fee of Three Thousand Five Hundred Dollars (\$3,500.00). Fees for such additional advertising, exhibit and sponsorship opportunities will be due and payable no later than fifteen (15) days prior to the date set for such promotional sponsorship or advertising opportunity.

3. UAC will provide UCIP with the exclusive opportunity to promote its insurance programs and services at UAC events and meetings for a fee of .003% of the gross annual premium paid by all Counties which participate in UCIP's insurance programs. Fees for such

exclusive promotional opportunity will be billed quarterly and shall be due and payable within fifteen (15) days from the date of receipt of the UAC billing for such services.

4. UAC will provide UCIP with legislative representation services during the 2004 and 2005 annual general sessions of the Utah State Legislature for a fee of Ten Thousand Dollars (\$10,000.00) per year. UAC's services are specifically limited to monitoring and notification. UAC will read proposed legislation and notify the UCIP Director concerning those bills which may have an impact upon UCIP operations. UAC will monitor legislative committee meetings and floor actions and notify and advise the UCIP when legislation impacting UCIP will be considered within a reasonable time frame. It is specifically understood between the parties that offered amendments, substitute bills and other actions are often taken with little or no prior notice to any interested parties. Moreover, bills may never be considered by the Legislature, even though they are scheduled for hearings. UAC will not contact individual legislators, prepare or present information for and in behalf of UCIP at any meeting, task force or informal gathering of legislators during the session. UAC is not responsible for any favorable or unfavorable outcome of any legislation impacting UCIP during the general sessions of the Utah State Legislature. Fees for such legislative representation services will be due and payable no later than one week prior to the commencement of the general legislative session.

5. UCIP will provide to UAC a summary, description, listing or other understanding of those legislative issues UAC is responsible to monitor for UCIP under the terms of this Agreement.

6. UAC will provide property management services to UCIP for the office building located at 5397 South Vine Street, Salt Lake City, Utah. Those services include negotiating, monitoring and payment of ongoing maintenance contracts, allocation of utility and maintenance charges, negotiating, monitoring and payment of repair contracts and services for shared equipment and for the building itself, allocation and payment of debt service fees and charges, and monitoring, allocation and payment of real estate taxes and services and appeal of taxes when appropriate. UAC will bill UCIP an annual fee of \$3,000.00 for the services to be provided by UAC as described in this paragraph. All fees due from UCIP for the services described in this paragraph 6 shall be billed quarterly and shall be due and payable within fifteen (15) days from the date of receipt of the written billing statement from UAC. Any management fee not paid when due shall accrue interest at the rate of 1.5% per month from the first day of the quarter in which said services were provided, up to and including the date of payment.

7. This agreement shall be construed, regulated and enforced under and by the laws of the state of Utah, without regard to conflict of law principles. Venue in the event of any need for any legal action arising out this Agreement shall be in Salt Lake County, Utah.

8. If any party to this Agreement shall be found to be in breach of its responsibilities arising under this Agreement, the non-breaching party shall be entitled to reimbursement for

costs and fees, including a reasonable attorney's fee, incurred in enforcing such non-breaching party's rights arising under this Agreement.

IN WITNESS WHEREOF this Agreement has been executed at Salt Lake City, Salt Lake County, State of Utah, on the day and year first above written.

UTAH ASSOCIATION OF COUNTIES ("UAC")

L. BRENT GARDNER, Executive Director
Its Duly Authorized Agent

UTAH COUNTIES' INSURANCE POOL ("UCIP")

By: _____
Its Duly Authorized Agent

UTAH COUNTIES INSURANCE POOL

General Budget

2004

REVENUE

Premiums Written	4,235,916
Investment Income	250,000
Retained Equity	0
TOTAL REVENUE	4,485,916

LOSSES AND LOSS EXPENSES

Losses	2,290,464
Reinsurance	1,200,317
TOTAL LOSS EXPENSES	3,490,780

ADMINISTRATION EXPENSES

Accounting	18,700
Actuarial Analysis	8,500
Automobile Expense	6,090
Automobile Reserve	16,240
Bank Charges	100
Board Expense	22,736
Brokerage Fees	80,000
Building: Maintenance	12,000
Building: Repairs & Replacement	5,634
Building: Reserve	17,260
Capitalization Costs - CRL	145,846
Copying Costs	1,200
Dues / Subscriptions	3,500
Exhibiting & Sponsorship	8,120
Information Technology	64,000
Lease Purchase	70,000
Lobbying & Legislative Tracking	8,120
Loss Control / Training	14,000
Office Insurance	5,500
Office Supplies	7,500
Postage	1,500
Incentives	4,060
Printing	2,000
Professional Fees	15,000
Property & Equipment	30,000
Staff Expenses	30,000
Staff Salaries	258,626*
Staff Retirement	60,586
Staff FICA	21,895
Staff Medical Insurance	50,923
Telephone	5,500
TOTAL ADMINISTRATION	995,136

TOTAL LOSSES AND EXPENSES	4,485,916
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NET INCOME	0
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EQUITY / RESERVES

Automobile	48,420
Building Debt Service	86,300
Building Repairs & Replacement	28,170
Capital (CRL)	145,846
TOTAL DESIGNATED RESERVES	308,736

UTAH COUNTIES INSURANCE POOL
Workers Compensation Budget

2004

REVENUE

Premiums Written	940,738
Investment Income	20,000
TOTAL REVENUE	960,738

LOSSES AND LOSS EXPENSES

Losses	418,941
Reinsurance	223,532
Third Party Administrator	160,000
TOTAL LOSS EXPENSES	802,473

ADMINISTRATION EXPENSES

Accounting	8,000
Actuarial Analysis	4,000
Automobile Expense	1,410
Automobile Reserve	3,760
Bank Charges	200
Board Expense	5,264
Brokerage Fees	25,000
Building: Maintenance	
Building: Repairs & Replacement	
Building: Reserve	
Capitalization Costs - CRL	48,989
Copying Costs	
Dues / Subscriptions	
Exhibiting & Sponsorship	1,880
Information Technology	
Lease Purchase	
Lobbying & Legislative Tracking	1,880
Loss Control / Training	5,000
Office Insurance	
Office Supplies	
Other Expenses	
Postage	
Incentives	940
Printing	
Professional Fees	
Property & Equipment	
Staff Expenses	5,000
Staff Salaries	31,374
Staff Retirement	7,047
Staff FICA	1,945
Staff Medical Insurance	6,577
Telephone	
TOTAL ADMINISTRATION	158,265

TOTAL LOSSES AND EXPENSES	960,738
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NET INCOME	0
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EQUITY / RESERVES

Capital (CRL)	28,031
TOTAL EQUITY	28,031

48,989



Utah Counties Insurance Pool
Serving Counties Since 1992

JOINT POLICY STATEMENTS

ADOPTED BY THE BOARD of TRUSTEES

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JOINT POLICY BOARD ATTENDANCE

In accordance with the Mutual's Utah Counties Insurance Pool, (hereinafter referred to as "UCIP"), Bylaws, a Trustee's position may be declared vacant by official action of the respective Board of Trustees when the Trustee has accumulated two consecutive unexcused absences at duly called meetings for which the Trustee has received notification, or when a Trustee resigns from the Board.

Excused absences will be granted only with advance notice received by the UAC UCIP Office prior to the Board meeting and approved by formal action of the Board.

In addition, Board members are encouraged to attend Mutual UCIP Membership Meetings, held in conjunction with the UAC Utah Association of Counties Midwinter and Annual Conferences.

Adopted 6/09/94



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JOINT POLICY BOARD MEMBER RESPONSIBILITY

Board Members of the ~~Mutual~~ Utah Counties Insurance Pool, (hereinafter referred to as "UCIP"), are representatives of a specific county, elected to govern on behalf of all counties in the ~~Mutual~~ UCIP. Recognizing the possible conflicting nature of those representations, Board Members agree to abide by these guidelines.

The responsibilities of the Board Members are prescribed in the Bylaws entered into by each participating county. The Board Members responsibilities shall be consistent with the affected Bylaws.

Board Members shall exercise their responsibility to the ~~Mutual~~ UCIP and the ~~Mutual's~~ UCIP's member counties in the following way:

First: To the mission of the ~~Mutual~~ UCIP, to maintain financial and managerial integrity, and to serve all counties fairly.

Second: To express the needs and concerns of the counties that Board Members represents.

Adopted 6/09/94



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JOINT POLICY CONFLICT OF INTEREST

The ~~Mutual~~ Utah Counties Insurance Pool, (hereinafter referred to as "UCIP"), recognizes that the various members of the Board of Trustees and the ~~Director~~ Chief Executive Officer for the Multi-line ~~Mutual~~ UCIP bring to the ~~Mutual~~ UCIP a number of perspectives and interests that are created by the nature of the elective and appointive offices which they hold in their respective counties. The ~~Mutual~~ UCIP recognizes that the members of the Board of Trustees and the ~~Director~~ Chief Executive Officer, accordingly, need a benchmark, criterion or standard against which to balance the competing interest they represent.

This policy is an attempt on behalf of the ~~Mutual~~ UCIP to provide guidelines to the members of the Board of Trustees and the ~~Director~~ Chief Executive Officer regarding conflict of interest. It is the intention of the Joint Policy Committee that this policy would mesh with the Joint Policy on Board Member and ~~Director~~ Chief Executive Officer Responsibility and would provide practical guidance to Board Members and the ~~Director~~ Chief Executive Officer in fulfilling their responsibilities as Board Members or ~~Director~~ Chief Executive Officer.

1. Board Members and the ~~Director~~ Chief Executive Officer shall not request, receive, or accept a gift or loan for themselves or another if:
 - a. it tends to influence the Board Members or the ~~Director~~ Chief Executive Officer in the discharge of his or her official acts as a Board Member or ~~Director~~ Chief Executive Officer; or
 - b. she/he, within two years, has been involved in any official act directly affecting the donor or lender or knows that he/she will be involved in any official act directly affecting the donor or lender in connection with his or her membership on the Board or as the ~~Director~~ Chief Executive Officer.
2. The prohibition set forth in Section 1 above shall not apply to:
 - a. an occasional nonpecuniary gift, insignificant in value;
 - b. an award publicly presented in recognition of public service;
 - c. a commercially reasonable loan made in the ordinary course of business by an institution authorized by the laws of the state to engage in the business of making loans; or
 - d. a political campaign contribution, provided that such gift or loan is actually used in a political campaign and is subject to Utah law regarding such gifts or loans.



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Conflict of Interest
Page 2

3. Board Members shall disqualify themselves from participating in any official action of the Board that affects a business in which that Board Member has a financial interest as defined in Sections 67-16-8 and 67-16-9 Utah Code Annotated 1993 as amended.
4. Board Members shall not acquire a financial interest at a time when they believe or have reason to believe that it will be directly affected by their official action on the Board.
5. Board Members and the ~~Director~~ Chief Executive Officer shall not use or divulge to any person confidential information acquired by virtue of their membership on, or participation with, the Board for their or another's private gain. Confidential information for the purpose of this paragraph shall be defined as all information disclosed or discussed in any executive session of the Board and any information disclosed or discussed in any meeting of the Board which is confidential under law, statute or practice and which is otherwise not available to the public.
6. The ~~Director~~ Chief Executive Officer of the ~~Mutual~~ UCIP and each Board Member shall complete a disclosure form provided by the ~~Mutual~~ UCIP at the first meeting of the Board during each fund year. That completed form shall affirm the person's awareness of this policy statement and either state that no described conflicts exist, or make all required disclosures.
7. The information on the disclosures, except for the valuations attributed to the reported interests, shall be made available by the Secretary of the Board for inspection by any ~~Mutual~~ UCIP member county representative. The valuation shall be confidential for all purposes except for proceedings for violation of the disclosure requirement of this policy.

Revised 6/25/98



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**JOINT POLICY
COUNTY-OWNED VEHICLES
REPAIRED BEFORE REPORTING THE LOSS**

The ~~UAC Insurance Mutual~~ Utah Counties Insurance Pool, (hereinafter referred to as "UCIP"), states, pursuant to the ~~UACIM UCIP~~ policy under *Conditions, Notice of Loss*, that repairs made to county-owned vehicles prior to authorization by the ~~UACIM UCIP Claims Administrators~~ Manager will be denied beginning July 1, 1994.

A notice dated April 1, 1994, was sent to all member counties explaining this policy with a request for acknowledgment of receipt.

Adopted 3/11/94



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**JOINT POLICY
INSURANCE COVERAGE FOR SPECIAL SERVICE DISTRICTS, CHILDREN'S JUSTICE
CENTERS, AND OTHER ENTITIES**

A Utah Counties Insurance Pool, (hereinafter referred to as "UCIP"), member county may obtain insurance coverage through UCIP for entities, other than Children's Justice Centers, affiliated with the member county pursuant to the following:

1. With regard to entities such as special service districts and other political subdivisions, the member county must have the following controls over the entity through the member county's governing body:
 - a. The governing body of the member county must approve and/or appoint 50% or more of the governing body of the entity, and
 - b. The governing body of the member county must appropriate 50% or more of the funding of the entity, and
 - c. The governing body of the member county must have the authority to hire and terminate the employees of the entity.
2. With regard to special service districts created for the purpose of passing through Mineral Lease Payments received by the State under the Mineral Lands Leasing Act (30 U.S.C., Section 191), and allocated to the county, individual counties that have created these special service districts may insure such districts through UCIP provided the following conditions are met:
 - a. The purpose of the special service district is to serve as a financial conveyance for the aforementioned mineral lease payments, and
 - b. Funds conveyed through the special service district are expenses of the special district and are made by an operating department of the county, usually the road department, with oversight exercised by the member county's governing body.
3. County health departments and multi-county health departments are eligible for coverage, either through the member county or as a separate, nonvoting insured, provided the organization of the health department is established under Title 26A of the Utah Code.
4. A UCIP member county may obtain Liability Insurance Coverage as provided in the UCIP Coverage Agreement for Children's Justice Center Local Advisory Board members who do not serve due to public office upon the following conditions:
 - a. The Children's Justice Center is established under Chapter 5b of Title 67 of the Utah Code;



Utah Counties Insurance Pool
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Insurance Coverage—Special Service Districts, Children Justice Centers, Other Entities

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- b. The county is the contracting public agency under 67-5b-104(e) of the Utah Code;
- c. The Children's Justice Center Local Advisory Board member does not serve due to public office as provided for in 67-5b-105(1)(b) through (e);
- d. The Children's Justice Center Bylaws authorize the member county to remove any Board member who does not serve due to public office as provided for in 67-5b-105(1)(b) through (e) at any time and for any reason; and
- e. The member county has provided UCIP a copy of the duly adopted bylaws with the language specified in subsection 2(d), and UCIP has acknowledged receipt of the bylaws.

Notwithstanding subsection 2(c), county elected officials serving on the Children's Justice Center Local Advisory Board in their capacity as elected officials shall be covered under the member county's UCIP liability insurance policy to the same extent as when conducting county business. County employees serving in their capacity as employees shall be covered to the extent provided in the UCIP Coverage Agreement.

5. Insurance coverage through UCIP may be obtained for non-profit corporations (those exempt from taxation under Internal Revenue Code 26 U.S.C. 501), municipalities, or other political subdivisions, that contract to provide services to the member county, subject to the following criteria being met:

- a. The contract is for the benefit of, and is executed under the authority of the member county, and
- b. The member county is legally authorized to provide the service, function or facility which is the subject matter of the contract, and
- c. The member county is obligated by the contract to provide insurance coverage to the other party to the contract, and
- d. A copy of the contract has been provided to the UCIP.

Amendments Adopted 01/15/04



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JOINT POLICY INVESTMENTS

I. POLICY

It is the policy of the Utah Counties Insurance Pool ("UCIP") to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of UCIP and conforming to all state and local statutes governing the investment of public funds.

II. SCOPE

This investment policy is created by the Audit Committee of UCIP and applies to all financial assets of UCIP.

These funds are accounted for in the Annual Financial Report of UCIP.

III. PRUDENCE

Investments shall be made with judgment and care, under the circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

- A. The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.
- B. Prohibited practices shall include, but not be exclusive to churning, unnecessary transactions and rebating.

IV. OBJECTIVE

- A. **Safety:** Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required so potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

Investments



Utah Counties Insurance Pool
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- B. **Liquidity:** The investment portfolio will remain sufficiently liquid to enable UCIP to meet all operating requirements which might reasonably be anticipated and documented in the annual Board approved Operating Budget.
- C. **Return on Investments:** The investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow characteristics of the portfolio.

V. DELEGATION OF AUTHORITY

- A. Authority to manage the investment program is derived from the Bylaws of UCIP. The Audit Committee is charged with making recommendations to the Board on the financial affairs of UCIP and may designate appropriate staff to develop written procedures for the operation of the investment program consistent with this investment policy. Procedures will include reference to:
 - 1. Safekeeping;
 - 2. PSA Repurchase Agreements;
 - 3. Wire Transfer Agreements;
 - 4. Banking Service Contracts, including the establishment of a Custodial Bank Agreement;
 - 5. Collateral/Depository Agreements; and
 - 6. Investment Manager Selection and Evaluation.
- B. It is the responsibility of the members of the Audit Committee to report to the Board all decisions and action taken by the Audit Committee.
- C. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Audit Committee. The Executive Assistant, under the supervision of the Director, shall be responsible for daily financial transactions.

More specifically, no funds shall be transferred out of or between the separate accounts at any time, for any reason, without the signature of at least two of the three following individuals authorized by the Board of Trustees to approve the transfers; UCIP Director, President or Vice President of the Board of Trustees (one individual can authorize via telephone).

All transfers will be submitted for ratification to the Board of Trustees at the next Board meeting.

Investments



- D. The Audit Committee may choose to select a professional money manager to manage the investment assets. Those assets would include funds not required by cash flow projections to meet the immediate needs of UCIP. In the event that the Audit Committee decides to select a professional money manager, such selection will be made through a formal Request for Proposal process.

The Money Manager would be charged with the following responsibilities:

1. Adopting an investment philosophy which is compatible with the policies of UCIP as set forth in Section I above;
2. Selecting appropriate investment instruments to implement the designated philosophy;
3. Selecting Broker/dealers for the purpose of executing investment trades, who meet the requirements set forth in Section VII below;
4. Executing trades at market prices most advantageous to UCIP;
5. Reporting on a regular basis to the Audit Committee on the performance of assets under management as set forth in Section XIV below;
6. Reporting to the Audit Committee in a timely manner, any material changes in the financial or staffing conditions of the management firm.

VI. ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the Director any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the funds, particularly with regard to the time of purchases and sales.

VII. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS:

The Manager shall maintain a list of financial institutions desiring and authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment services in the State of Utah. Broker/dealers must be certified by the Utah Money Management Council. Funds shall be deposited only in a qualified public depository as certified by the Utah Money Management Council.



VIII. AUTHORIZED AND SUITABLE INVESTMENTS:

UCIP has resolved that its investments shall be limited to those securities authorized by Section 51-7-11, Utah Code Annotated, 1953 as amended, as that Section pertains to the investment of public funds.

IX. COLLATERALIZATION

Collateralization will be required on two types of investments: certificates of deposit and repurchase agreements and will also be required on checking accounts if there is a balance of over \$100,000 therein. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be one hundred two (102) percent of market value of principal and accrued interest. State law rules for collateralization will be adhered to. Collateral will always be held by an independent third party with whom the entity has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the entity and retained.

X. SAFEKEEPING AND CUSTODY

All security transactions, including collateral for repurchase agreements, entered into by UCIP shall be conducted on a delivery-versus-payment (DVP) basis. Securities shall be held by a third - party custodian designated by the Audit Committee and evidenced by safekeeping receipts.

XI. DIVERSIFICATION

UCIP will diversify its investments by security type and institution to the degree that such diversification is permitted. Investments in commercial paper, corporate bonds and asset-backed obligations shall not exceed 20 percent of the total assets of UCIP's investments.

XII. MAXIMUM MATURITIES

To the extent possible, UCIP will attempt to match its investments with anticipated cash flow requirements as determined by the Audit Committee. For funds not specifically matched to cash flow, UCIP will invest in securities not exceeding the terms to maturity as set out in Section 51-7-11 Utah Code Annotated, 1953 as amended.

XIII. PERFORMANCE STANDARDS

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.



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Investments

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Market Yield (Benchmark): UCIP's investment strategy is active. Given this strategy, the basis used by the Audit Committee to determine whether market yields are being achieved shall be the Lehman Brothers Intermediate Government Bond Index or other appropriate index as designated annually by the Audit Committee.

XIV. REPORTING

The Executive Assistant is charged with the responsibility of providing a market report on investment activity and returns on a regular basis to the Board of Trustees and to the Audit Committee on an annual basis. Reports to the Audit Committee will include, but not be limited to:

1. Performance;
2. Volatility (as measured by effective duration);
3. Interest earnings;
4. Number of trades;
5. Average maturity;
6. Market sector breakdown.

XV. INVESTMENT POLICY ADOPTION

This investment policy shall be adopted by resolution of the Board of Trustees. The policy shall be reviewed by the Audit Committee annually and any modifications made thereto must be approved by the Board of Trustees.

Adopted 12/18/03



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**JOINT POLICY
LATE PREMIUM PAYMENTS**

All ~~UACIM~~ Utah Counties Insurance Pool premium and surplus contribution payments are due on or before the first day of January of the applicable policy year. Counties making payments, or portions thereof, postmarked after January 31st shall be charged interest calculated at 2% above the Federal Prime Rate.

Rewritten and Adopted 3/21/96



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JOINT POLICY
LIABILITY INSURANCE METHODS FOR PURCHASE OR RENEWAL

The ~~UAC Insurance Mutual~~ Utah Counties Insurance Pool, (hereinafter referred to as "UCIP"), states, (1) if any county in the ~~Mutual~~ UCIP is sued on the basis of Utah Statute 63-30-32, *failure to annually bid their insurance premiums*, the ~~Mutual~~ UCIP will intervene and help defend a lawsuit and (2) that the ~~Mutual~~ UCIP approach the legislature to clarify this problem and possible amend 63-30-32 to exempt governmental entities that are part of an insurance mutual or pool and (3) that the ~~Mutual~~ UCIP annually bid its excess insurance in the market place to comply with 63-30-32.

Adopted 8/12/93



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**JOINT POLICY
RECOMMENDED PERSONNEL ADVICE**

The ~~Mutual~~ Utah Counties Insurance Pool, (hereinafter referred to as "UCIP"), strongly urges member counties to consult with the ~~Mutual~~ UCIP Loss Prevention Control Manager prior to dismissing, demoting, suspending or beginning leave without pay for county employees, especially if there is any questions about the correct procedure to follow or if that personnel action may result in a claim or suit against the county for wrongful process.

Adopted 6/09/94



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JOINT POLICY SPECIAL EVENTS REQUIREMENTS

The ~~Mutual~~ Utah Counties Insurance Pool, (hereinafter referred to as "UCIP"), recognizes that counties occasionally have the need to provide special events for their citizens, events that fall outside the scope of daily operations for county governments. Smaller counties with rural fire halls, for example, often make those facilities available to local citizens for meetings and gathering when other public facilities are remote or unavailable. ~~The Mutual UCIP~~ recognizes that the counties must balance the needs of its citizenry with the need to exercise fairness and due caution in the provision of those services.

This policy is an attempt on behalf of ~~the Mutual UCIP~~ to provide guidelines to counties for lending the use of its public facilities to groups not under the control or direction of county government.

Whenever possible, counties should require outside agencies and private citizens to provide proof of insurance coverage before lending the use of a county facility. Individuals using a county facility can request special coverage for a one-time event through their homeowners insurance. Outside agencies such as the Boy Scouts, Girl Scouts, and 4-H groups should be able to show proof of coverage through their parent organization. ~~The UAC Multi-line Mutual UCIP~~ can arrange special events coverage for third parties specifically for this purpose; coverage is available for individuals or for groups. Whenever possible, require proof of insurance before lending the use of county facilities. Insurance should be provided to the limits of tort liability (\$1,000,000 property damage and bodily injury, \$1,000,000 per occurrence), and should name the county as an additional insured.

However, in the event that proof of insurance is impractical or unavailable, ~~the Mutual UCIP~~ recommends that counties use the following guidelines.

1. Require the tenant to sign a contract that specifies the facility to be used, the date and time of use, the function (be specific), the number of people who will attend, and any rental fees to be paid. The contract should state that no alcohol will be served or consumed on the county premises, and that the county assumes no liability for the activity that will take place.
2. Require the tenant to sign a waiver to hold the county harmless from any harm or liability that results from the activity or function. Include language that clarifies who will be responsible for injury or damage.
3. Review the risks involved in the activity. Consider the worst-case scenario; would the county be able to cover its liability if named as a party to the suit? What safeguards might be enacted to reduce the risk of injury or damage?
4. Will any county officials or employees attend the function? If anyone could be construed as representing the county, be sure that person is trained in the use and function of the facility, equipment, etc. and that s/he will adequately represent the interests of the county in maintaining safety and security.
5. Is the county truly a sponsor of the event? Is the activity within the course and scope of county services?

Adopted 6/09/94 (Revised 3/30/00)



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JOINT POLICY UNDERWRITING REQUIREMENTS

The ~~UACIM~~ Utah Counties Insurance Pool, (hereinafter referred to as "UCIP"), Board of Trustees have has adopted the following minimum underwriting requirements for the ~~UACIM~~ UCIP member counties:

1. Sexual Harassment Policy.
2. Personnel Policy, including Employee Safety Accountability.
3. High-Speed Pursuit Policy.
4. Seat Belt Use Policy, for county drivers.
5. Annual MVR check of county drivers, including volunteers. Restrict driving where necessary.
6. ~~Alcoholic drinks prohibited at county sponsored events and in county facilities.~~ County drivers, including volunteers, to satisfactorily complete a defensive driving course. at least once every five years.
7. A written policy that alcohol shall not be served at County-owned facilities, including all facilities scheduled by the County and insured by UCIP, unless additional insurance has been obtained to cover the exposure created by selling and/or serving alcoholic products.

Adopted 10/21/94



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**JOINT POLICY
DEDUCTIBLE ON AUTO PHYSICAL DAMAGE CLAIMS**

Effective May 1, 1995, the deductible amount, in the Utah Counties Insurance Pool policy, will increase from \$500.00 to \$1000.00 for each auto physical damage claim.

Adopted 3/9/95



Utah Counties Insurance Pool
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**A RESOLUTION OF THE ~~UAC INSURANCE MUTUAL~~ UTAH COUNTIES INSURANCE POOL
ADOPTING A POLICY CONCERNING THE PAYMENT OF CLAIMS IN THE EVENT THAT THE
LOSS FUND IS EXHAUSTED IN ANY ONE YEAR IN WHICH THE AMOUNT OF THE LOSS
FUND IS LESS THAN THE ATTACHMENT POINT OF THE STOP LOSS AGGREGATE POLICY**

WHEREAS, the ~~UAC Insurance Mutual~~, (hereinafter referred to as "UCIP"), purchases excess insurance on behalf of member counties including specific excess and stop loss aggregate, which excess insurance is subject to a self insured retention that is paid from the ~~UACIM~~ UCIP loss fund; and

WHEREAS, ~~UACIM~~ UCIP by and through its Board of Trustees, has deemed it appropriate to adopt a policy for ~~UACIM~~ UCIP to be implemented in the event that the Loss Fund is exhausted for any one year and the attachment point of the Stop Loss Aggregate Policy is greater than the Loss Fund; and

WHEREAS, ~~UACIM~~ UCIP seeks to clarify all previous statements or policies regarding such funding;

NOW, THEREFORE, the policy adopted by the ~~UACIM~~ UCIP Board of Trustees is as follows:

1. ~~UACIM~~ UCIP will combine two or more claim years in order to fund the year with the negative balance. ~~UACIM~~ UCIP will also pay out existing filed claims as losses and expenses are presented to ~~UACIM~~ UCIP, until the total reaches the attachment point of the stop loss aggregate, or until all funds are exhausted, whichever occurs first; and
2. All losses and expenses not paid from ~~UACIM~~ UCIP funds will revert to and be the responsibility of the member county against which the particular claim was filed.
3. The Resolution adopted on August 3, 1995, concerning the payment of claims in the event that the loss fund and stop loss aggregate of ~~UACIM~~ UCIP are exhausted during any one year, is repealed.

RESOLVED AND ADOPTED this 25th day of June 1998.

~~UAC INSURANCE MUTUAL~~ UTAH COUNTIES INSURANCE POOL

By: 
GARY R. HERBERT, President

Revised 3/18/04 to reflect name change



Utah Counties Insurance Pool
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**JOINT POLICY
USE OF DEFENSE COUNSEL PRIOR TO NOTICE OF CLAIM**

~~UACIM~~ The Utah Counties Insurance Pool, (hereinafter referred to as "UCIP"), recognizes that controlling losses in the member counties is most effectively achieved by recognizing potential loss situations and working proactively to prevent or minimize those situations. Part of a proactive approach to loss control includes providing the best possible ~~advise~~ advice to member counties at the earliest possible time. To that end, ~~UACIM~~ UCIP shall implement the following program to provide counsel from specified defense attorneys on a limited basis, to advise member counties through ~~UACIM~~ UCIP on matters of substantial potential impact to the members and ~~the mutual UCIP~~, such as wrongful termination, sexual harassment, employee discipline, etc.

1. The ~~UACIM~~ UCIP Trustees, with the assistance of the ~~UACIM~~ UCIP Litigation Management Committee, shall compile a list of defense attorneys specializing in areas of the law where ~~UACIM~~ UCIP is experiencing, or according to the broker's projections may experience substantial losses.
2. A description of the program shall be sent to each member county attorney and member county commission/counsel/ county executive and to each defense attorney expected to participate in the program.
3. ~~UACIM~~ UCIP shall develop a request form for ease of implementation and use of the program.
4. The Trustees shall report each consultation or case referral to the Litigation Management Committee.
5. The program shall operate within the following parameters:
 - a. Each request for a consultation or case referral must be requested by the member county attorneys office, or by the county commission/council/county executive after consultation with the county attorney's office. Each such request shall be made only after the member county attorney has reviewed the matter that is the subject for a request for consultation or case referral and has approved the request.
 - b. For each approved consultation or case referral, both the county and the defense attorney must receive authorization in writing from the ~~UACIM~~ UCIP Trustees, which shall include:
 1. name of the county
 2. name of the person requesting the consultation or case referral,
 3. name of the defense attorney to be consulted with; and
 4. scope or type of service to be provided (i.e. number of hours or amount etc.)



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USE OF DEFENSE COUNSEL PRIOR TO NOTICE OF CLAIM

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- c. All correspondence shall be through the ~~UACIM~~ UCIP Trustees;
- d. The County Attorney's Office shall receive copies of correspondence;
- e. The defense attorney who is consulted with in a pre-notice of claim capacity shall not be the attorney for the member county, but rather shall represent the ~~UACIM~~ UCIP in an advisory capacity. All advice provided by the defense attorney shall be passed to the member county through the ~~UACIM~~ UCIP;
- f. If the approved consultation or case referral requires an additional number of hours or dollar amount beyond those approved by the ~~UACIM~~ UCIP Trustees, the member county will be required to submit an additional request for a consultation or case referral. A member county that exceeds the approved expenditure of time or approved dollar amount shall be required to reimburse the ~~UACIM~~ UCIP for any such excess charges.

NOTE: This program is intended to assist, not replace or in any way circumvent the local county attorney's office. Again the goal of the program is to provide a valuable service to ~~mutual~~ UCIP members which will allow action based on current legal standards.

Adopted 12/21/95



Utah Counties Insurance Pool
Serving Counties Since 1992

**A RESOLUTION OF THE UTAH ASSOCIATION OF COUNTIES INSURANCE MUTUAL POOL
ADOPTING A POLICY CONCERNING THE INVESTIGATION, SETTLEMENT AND LITIGATION
OF CLAIMS**

WHEREAS, the Utah Association of Counties Insurance Mutual Pool, (hereinafter referred to as "UACIM UCIP"), by and through its board of Trustees, has deemed it appropriate to clarify the policy of UACIM UCIP concerning the investigation, settlement and litigation of claims:

NOW, THEREFORE, be it resolved that the policy of UACIM UCIP concerning the investigation, settlement and litigation of claims is as follows: UACIM UCIP shall retain the rights of investigation, settlement, and litigation of all claims, as provided in Section 11.1f of the UACIM UCIP Bylaws, and may deny coverage for any claims settled by member counties or for any monies paid by member counties toward claims without the prior written approval of UACIM UCIP.

Adopted 1/25/96



Utah Counties Insurance Pool
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JOINT POLICY COUNTY DRIVER REVIEW

The UACIM Utah Counties Insurance Pool, (hereinafter referred to as "UCIP"), Board of Trustees has adopted the following policy concerning individual drivers of county vehicles and operators of county equipment. The policy is intended to provide member counties with clear procedures for evaluating county employees who damage county vehicles and recommended actions for responding to the evaluation.

1. UACIM UCIP asks that each county take the following actions:
 - a. Establish an Accident Review Board (ARB) comprised of the county insurance coordinator, and other county officials; such as, representatives of the roads department, sheriff's office, personnel department, or any others the county feels could assist in the accident review.
 - b. Adopt specific policies regarding the following:
 1. Driving Under the Influence (DUI) violations;
 2. Disciplinary Procedures;
 3. Volunteer drivers; and
 4. Motor Vehicle Report (MVR) reviews.
 - c. The County Insurance Coordinator should submit to UACIM UCIP, a brief report on the decisions and actions taken by the Board relating to each accident.
2. UACIM UCIP submits the following suggestions for consideration by counties.
 - a. Instruct the ARB to check the state Motor Vehicle Records (MVR) of each county driver and equipment operator annually. Any driver with a DUI violation should be called before the ARB and placed in a non-driving position for a period to be determined by the ARB.
 - b. Suspend county drivers who operate county owned vehicles or equipment while under the influence of alcohol or illegal drugs, without pay for a period to be determined by the ARB.
 - c. Consider, as a minimum, the following actions regarding an employee for whom the ARB establishes a high level of fault, when involved in an accident or damage to county equipment:

First incident. A written warning to the employee. A copy of the warning should go into the employee's personnel file.

Second incident. A written notification that the employee is being placed in a non-driving position for a period determined by the ARB.

Third incident. A written notification that the employee is suspended without pay for a period to be determined by the ARB.

Fourth incident. Termination.



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COUNTY DRIVER REVIEW

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- a. Subject volunteer drivers to the same review as paid employees with the exception of suspension without pay. On the third incident, volunteer drivers should be terminated.
- b. Require that the drivers or operators involved in any accident, resulting in damage to county owned equipment, appear before the ARB and explain the circumstances surrounding the accident, their specific involvement and the contributing factors associated with the accident.
- c. Determine the employee's level of fault in the accident.
- d. County drivers involved in accidents resulting in damages over \$25,000, where serious injury or death results and where the ARB determines a high level of fault should be suspended without pay for a period to be determined by the ARB.

NOTE: In Utah, a conviction for DUI remains a part of the driver's MVR for six years; in addition to the following **mandated** requirements:

First offense;

Ninety day suspension of driver's license
Rehabilitation
SR 22 insurance required for three years
\$50-85 reinstatement fee

Second offense, (within six years)

One year revocation
Rehabilitation
SR 22 insurance for three years
Reapplication
\$50-85 reinstatement fee

Adopted 1/25/96



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**A RESOLUTION OF THE UTAH ASSOCIATION OF COUNTIES INSURANCE MUTUAL
ADOPTING A POLICY CONCERNING
MID-TERM PREMIUMS FOR NEWLY ACQUIRED PROPERTIES**

WHEREAS, the Utah Association of Counties Insurance Mutual, (hereinafter referred to as "UACIM"), has purchased excess insurance on behalf of its members; and

WHEREAS, such excess insurance contains an endorsement that reads as follows: "... [the excess insurer] may examine and audit your books and records at any time during the policy period and up to three years afterward. If, however, major exposure changes are reported and policy premium adjustments are made during the policy term, no audit will be conducted. If major exposure changes occur but are not reported, a final audit may be conducted"; and

WHEREAS, UACIM, by and through its Board of Trustees, deems it appropriate to clarify the policy of UACIM concerning the payment of premiums mid-term for newly acquired properties.

NOW, THEREFORE, the policy of UACIM concerning such premiums is as follows: Members shall report all newly acquired properties within 30 days of acquisition. Effective January 1, 1998, in the event that the excess carrier assesses an additional premium for newly acquired property in accordance with the terms of the policy, such premium shall be paid by the member acquiring that property.

Adopted 10/09/97



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JOINT POLICY MEMBER EQUITY PLAN

It is understood that the surplus in ~~UAC Insurance Mutual~~ the Utah Counties Insurance Pool, (hereinafter referred to as "UCIP"), shall be attributable to the members as equity. Equity in the ~~Mutual~~ UCIP shall be used to satisfy the surplus requirements of the Utah Insurance Code, and any other applicable regulation, and next to repay the debentures after which repayment equities may be available for distribution to the members at the discretion of the Board of Trustees.

Member equities in ~~UACIM~~ UCIP shall be calculated as follows:

1. The ratio of each member's contributions to the total contributions shall be computed for each fund year.
2. The member's contribution ratio shall be multiplied by the total surplus, (less any borrowed surplus), attributable to a fund year as stated in the most recent monthly financial statement. A member's total equity will be the sum of the yearly amounts for each fund year for which that member was a participating member in ~~UACIM~~ UCIP.
3. In the event that the surplus amount is a negative number, a member's equity will be decreased using the same method of calculation as above.
4. In the event of a voluntary withdrawal or an involuntary termination of membership, the withdrawn or terminated member shall lose and have no claim to any equity in ~~UACIM~~ UCIP. The equity formerly attributed to that member for each fund year shall be allocated to the remaining counties who were members during that fund year.
5. The Board of Trustees in its sole discretion shall determine if and when equity is distributed.

Adopted 10/09/97



Utah Counties Insurance Pool
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**A RESOLUTION OF UTAH ASSOCIATION OF COUNTIES INSURANCE MUTUAL
POOL ADOPTING A POLICY CONCERNING
CONFLICTS OF INTEREST OF ATTORNEYS RETAINED BY THE MUTUAL**

WHEREAS, Utah Association of Counties Insurance Mutual Pool, (hereinafter referred to as "UACIM UCIP"), assigns attorneys from a list approved by the Board of Trustees to represent UACIM UCIP or Insureds on claims; and

WHEREAS, both UACIM UCIP and its' Members desire to maintain high standards of professionalism and avoid any actual or perceived conflicts of interest; and

WHEREAS, UACIM UCIP seeks to clarify its' position regarding conflicts of interest;

NOW, THEREFORE, the policy adopted by the Board of Trustees is as follows:

1. Attorneys listed on the UACIM UCIP Defense Attorney list shall not represent any plaintiff in any civil action in which any defendant is insured by UACIM UCIP.
2. Attorneys employed by, or associated with, law firms listed on the UACIM UCIP Defense Attorney List shall not represent any party in a civil action adverse to any person or entity insured by UACIM UCIP.
3. Attorneys employed by, or associated with, law firms listed on the UACIM UCIP Defense Attorney List shall not represent any defendant in a criminal action prosecuted by the County Attorney's Office of any Member County.
4. Conflicts as described above may be waived only after full disclosure to, and written agreement of, the involved Member and UACIM UCIP.

RESOLVED AND ADOPTED this 3rd day of September 1999.

UTAH ASSOCIATION OF COUNTIES INSURANCE MUTUAL POOL

By: Gary R. Herbert
GARY R. HERBERT, President

Revised 3/18/04 to reflect name change



Utah Counties Insurance Pool
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JOINT POLICY
COUNTY VEHICLE USE

Operation of county vehicles is a significant risk exposure to every county. Vehicle accidents represent a substantial liability to the county. Vehicle accidents resulting in personal injury and property damage represent needless suffering, waste, and unnecessary cost to the county.

Employees are encouraged to drive in a safe, reasonable, and defensive manner. When operating a county vehicle, employees will maintain their full attention to driving activities. No phase of the job is of greater importance than safe driving. Employees shall comply with all traffic regulations, except as authorized for emergency vehicles.

County vehicles shall only be used for official county business, or when authorized through an Interlocal Agreement for business purposes deemed relevant to the county's interests. Operators of county vehicles will assume full responsibility for safe operation, as well as the safety and welfare of any passengers. Only county employees, volunteers and others authorized by Interlocal Agreement may operate county vehicles, unless specific authorization otherwise is made by the governing body. No one other than county employees will be transported as passengers except when required by county business. All operators of county vehicles shall review and agree to abide by all county rules and regulations relating to vehicle use.

Employee and occupant use of seatbelts is required in county vehicles. Child restraint devices shall be used in accordance with state law.

Before daily use of a county vehicle, drivers shall inspect the vehicle for visible damage, inoperable lights, under-inflated tires, or any other noticeable condition, which may create an unsafe situation.

The use of cellular telephones is discouraged while operating a county vehicle, unless a hands free system is used. Employees shall use due caution when using a cellular telephone while the vehicle is in motion. The primary responsibility of employees engaged in vehicle operations is the safe operation of the vehicle. Employees are encouraged to use a hands free system or safely park their vehicle out of traffic prior to engaging in a cellular telephone conversation.

Adopted 3/18/04

February 19 - March 18, 2004

TOTAL

